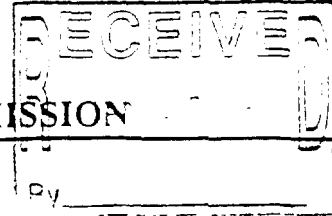




ILLINOIS COMMERCE COMMISSION

Office of General Counsel



M E M O R A N D U M

TO: 96-0404 Service List

FROM: G. Darryl Reed
Staff Counsel

DATE: January 7, 1997

RE: ICC Staff Exhibit 2.01, Schedule 1 (Public Version)

Due to an oversight, certain non-proprietary responses to Staff's data request which were submitted by Teleport Communications Group, Inc. and USN Communications, Inc. were omitted from ICC Staff Ex. 2.01, Schedule 1. The responses are attached.

Please feel free to call if you have any questions. I can be reached at (312) 793-2877.

GDR/xps



Douglas W. Trabaris
Senior Regulatory Counsel
Regulatory & External Aff.

Teleport Communications Group
233 South Wacker Drive, Suite 2000
Chicago, IL 60606
Tel: 312.705.9829
Fax: 312.705.9801

November 15, 1996

G. Darryl Reed
Office of General Counsel
Illinois Commerce Commission
State of Illinois Building
160 North LaSalle Street, Suite C-800
Chicago, IL 60601-3104

Stacy L. Buecker
Telecommunications Division
Illinois Commerce Commission
527 East Capitol Avenue
P.O. Box 19280
Springfield, IL 62794-9280

Re: Illinois Commerce Commission Docket No. 96-0404

Dear Mr. Reed and Ms. Buecker:

Please find attached the response of Teleport Communications Group Inc., on behalf of its certificated Illinois operating affiliates TCG Illinois and TCG Chicago, the response to Staff Data Requests 1-11. Please note that confidential information is being provided pursuant to the standard protective agreement standards used in this docket.

Please feel free to contact me if you have any questions regarding this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Doug Trabaris', is written over a horizontal line.

Douglas W. Trabaris

Enc.

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

1. Whether your entity is providing:

- a) business exchange service;
- b) residential exchange service;
- c) business exchange access service or residential exchange access service, identifying special or switched access.

A: a) Yes.

b) No.

c) TCG provides business exchange access service, both special and switched access.

Witness Responsible: Elizabeth A. Howland

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

2. The number of access lines in IBT's service territory that are served by your entity.
 - A. Please refer to the response of TCG to Staff Data Request ARPT-1, which was a confidential document filed with the Commission on November 27, 1995. This information will be updated when end-of-year information becomes available.

Witness Responsible: Elizabeth A. Howland

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

4. The scope of the geographic area and the number and type of customers for which your entity's services are available within IBT's service territory.
 - A. The scope of the geographic area TCG provides service to business customers is those portions of MSA-1 also served by Ameritech Illinois and Central Telephone Company of Illinois. For the data relating to the number of customers of TCG, please see the response to question 2.

Witness Responsible: Elizabeth A. Howland

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

5. The extent to which your entity is using its own facilities to provide service or is using unbundled elements or resold services obtained from IBT.
- A. Objection. The information sought is highly confidential trade secrets. Section 7 of the Illinois Freedom of Information Act, 5 ILCS 7/140(g)(1996) exempts from public disclosure trade secrets and commercial or financial information where the trade secrets or information are proprietary, privileged or confidential. The extent to which TCG uses its own facilities versus those obtained from Ameritech would, if disclosed to competitors, reveal the size and geographic location of TCG's network. This, in turn, will put TCG at a competitive disadvantage. TCG will disclose this information to Staff of the Commission if the Commission adopts a more restrictive Proprietary Agreement as will soon be proposed by TCG. Such information in the hands of TCG's competitors could cause serious financial harm. Moreover, other than Staff, the commissioners, the Federal Communications Commission and the United States Department of Justice, such information serves no valid purpose in the hands of others.

Witness Responsible: N/A

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

6. A description of your entity's facilities in operation in IBT's service area.
 - A. TCG's affiliates operating in those portions of MSA-1 that are also served by Ameritech Illinois have a fiber optic network of approximately 370 route miles. In addition, TCG's operating affiliates utilize a Class 5 local exchange switch located in Chicago, Illinois.

Witness Responsible: Elizabeth A. Howland

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

7. Whether your entity is currently constructing or significantly expanding its facilities in IBT's service territory, and, if so, when the construction/expansion is expected to be completed.
- A. Objection. The information relating to current expansion of TCG's network is highly confidential trade secrets. Section 7 of the Illinois Freedom of Information Act, 5 ILCS 7/140(g)(1996) exempts from public disclosure trade secrets and commercial or financial information where the trade secrets or information are proprietary, privileged or confidential. The current deployment of facilities of TCG would, if disclosed to competitors, reveal the size and geographic location of TCG's network expansion plans. This, in turn, will put TCG at a competitive disadvantage. TCG will disclose this information to Staff of the Commission if the Commission adopts a more restrictive Proprietary Agreement as will soon be proposed by TCG. Such information in the hands of TCG's competitors could cause serious financial harm. Moreover, other than Staff, the commissioners, the Federal Communications Commission and the United States Department of Justice, such information serves no valid purpose in the hands of others. The portion of its question seeking future network expansion plans calls for speculation about the nature and extent to which TCG is expanding its network. Such information is not known with any certainty, given the vagaries of the marketplace.

Witness Responsible: N/A

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

8. The average provisioning intervals and maintenance times for services IBT provides to the entity.
- A. For September, 1996, Ameritech's averaging provisioning interval was 20 business days, and Ameritech provisioned TCG's orders 83% on time.

Witness Responsible: Elizabeth A. Howland

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

9. Whether your entity is currently offering telecommunications services within IBT's service territory.

- a) If no, please describe your entity's plans for providing telecommunications services in IBT's service territory within the next nine months.
- b) If yes, please describe both what your entity is currently offering and what services your entity is planning to offer within the next nine months.

A. Yes.

- a) N/A
- b) For current offerings, please see TCG's tariffs on file with the Commission. The portion of the question seeking future offerings calls for speculation about what new services, if any, TCG plans to offer in Illinois. Such information is not known with any certainty, given the uncertainty of the marketplace.

Witness Responsible: Elizabeth A. Howland

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

10. Please describe any complaints/problems you have against IBT concerning interconnection (e.g. time delays).

- A. TCG Illinois has been unable to obtain a satisfactory level of redundancy in our facilities interconnecting our network with Ameritech Illinois to ensure against network outages in the event that the interconnection fails. Ameritech Illinois originally proposed that TCG Illinois's network be interconnected with Ameritech's network through only one tandem switch. TCG Illinois proposed interconnections at both tandem and end office switches, with the use of dual trunks to avoid service loss in the event of a trunk failure. This standard is consistent with TCG Illinois's engineering of its own network in such a way that no single points of failure exist, and alternative routes are available for traffic in the event of a network failure to avoid service outages.

TCG Illinois currently is interconnected with Ameritech's network through collocations at Ameritech's tandem switches or the closest collocated end office, each of which has a single point of failure. Ameritech did not allow TCG Illinois to implement diverse trunking to avoid a single point of failure, claiming that its own network was engineered with a single point of failure for many of its routes.

The failure of Ameritech Illinois to allow TCG Illinois to implement redundant facilities resulted in a service outage for TCG Illinois customers for traffic from the 708 and 630 areas codes on September 20, 1996 that lasted from 10:50 a.m. to 2:30 p.m.. A contractor working for Ameritech Illinois in Oakbrook, Il. misread a construction permit and proceeded to dig a trench approximately 3/8 of a mile east of the permitted area. Ameritech's contractor cut a major TCG Illinois fiber line leading to the Oakbrook central office. TCG Illinois is currently collocated at Ameritech Illinois's Oakbrook central office, and is connected to the LaGrange tandem via DS3 from Oakbrook. Therefore, the fiber leading to the Oakbrook central office is the single point of failure from TCG Illinois to the LaGrange tandem. The fiber cut on Sept. 20, 1996 caused a significant and costly service outage for TCG Illinois customers, through no fault of TCG Illinois.

Witness Responsible: Elizabeth A. Howland

Illinois Commerce Commission Docket No. 96-0404
Response of Teleport Communications Group to
Data Request of Staff

11. Please provide the number of access lines, by MSA in IBT's service territory, that your entity provides to end user customers in the following categories:
- a) using facilities wholly owned by the carrier;
 - b) where some or all facilities are obtained as unbundled network elements; and
 - c) where network access line service is resold.
- A.
- a) See the response to question 2.
 - b) Objection. See the rationale for the objection contained in the response to question 5.
 - c) Zero.

Witness Responsible: Elizabeth A. Howland



1000 W. Lake Street
Chicago, Illinois 60606

Phone: (312) 411-1111
Fax: (312) 411-1111

October 25, 1996

Stacy L. Buecker
Telecommunications Division
Illinois Commerce Commission
527 East Capitol
Springfield, IL 62794-9280

G. Darryl Reed
Office of General Counsel
Illinois Commerce Commission
State of Illinois Building
160 North LaSalle Street, Suite C-300
Chicago, IL 60601-3104

RECEIVED
OCT 28 1996
ILLINOIS COMMERCE COMMISSION
TELECOMMUNICATIONS DIVISION

Re: Investigation Concerning IBT
Compliance with Section 271(c) of
the Telecommunications Act of 1996
ICC Docket No. 96-0404

Dear Ms. Buecker & Mr. Reed:

I have enclosed the responses to the data requests presented in your October 11, 1996 filing to all certified local exchange companies.

If you have any questions, I can be contacted at 312-906-3592.

Sincerely,

Robert R. Neumann
Director of Legal, Regulatory
and External Affairs

USN COMMUNICATIONS, INC. RESPONSES TO QUESTIONS
POSED BY THE CHAIRMAN, COMMISSIONERS AND STAFF PERTAINING
TO THE OFFERING OF LOCAL EXCHANGE SERVICE

1) Whether your entity is providing:

- a) business exchange service: Yes
- b) residential exchange service: Yes
- c) business exchange access service or residential exchange access service, identifying special or switched access.

None

2) The number of access lines in IBT's service territory that are served by your entity.

Less than 1,000

3) The number and locations of the IBT switches in Illinois that are connected to local loops served by your entity.

Resell Only in MSA-1

4) The scope of the geographic area and the number and type of customers for which your entity's services are available within IBT's service territory.

- a) MSA-1 (Geographic Territory)
- b) Primarily Small & Medium Size Businesses

5) The extent to which your entity is using its own facilities to provide service or is using unbundled elements or resold services obtained from IBT.

100% Resold

6) A description of your entity's facilities in operation in IBT's service area.

None

7) Whether your entity is currently constructing or significantly expanding its facilities in IBT's service territory, and, if so, when the construction/expansion is expected to be completed.

None

- 8) The average provisioning intervals and maintenance times for services IBT provides to the entity.

Limited experience with these issues. To date, provisioning new service requires approximately two (2) days and twenty-four (24) hours for repair.

- 9) Whether your entity currently offering telecommunications services within IBT's service territory.

- a) If no, please describe your entity's plans for providing telecommunications services IBT's service territory within the next nine months.

N/A

- b) If yes, please describe both what your entity is currently offering and what services your entity is planning to offer within the next nine months.

Primarily, resold local (non-centrex) and long-distance to businesses.

- 10) Please describe any complaints/problems you have against IBT concerning interconnections (e.g., time delays).

None at this time.

- 11) Please provide the number of access lines, by MSA in IBT's service territory, that your entity provides to end user customers in the following categories:

- a) using facilities wholly owned by the carrier:

None

- b) where some or all facilities are obtained as unbundled network elements: and

None

- c) where network access line service is resold.

Less than 1,000 in MSA-1

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
to consider Ameritech Michigan's compliance) Case No. U-11104
with the competitive checklist in Section 271)
of the Telecommunications Act of 1996.)
_____)

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

Julie A. Wood, being duly sworn, deposes and says that she is an employee of Clark Hill P.L.C., and that on January 9, 1997, a copy of the Comments of Teleport Communications Group Inc. was served upon:

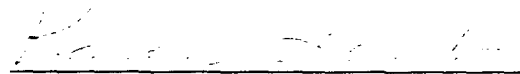
See attached service list.

Except as otherwise noted on the attached list, service was accomplished by depositing same in a regular mail depository, enclosed in envelopes bearing postage fully prepaid and addressed properly.



Julie A. Wood

Subscribed and sworn to before me
this 9th day of January, 1997.



Karen Lamb, Notary Public
Clinton County, Acting in
Ingham County, Michigan
Expiration: May 4, 1997

SERVICE LIST
CASE NO. U-11104

David Voges
Assistant Attorney General
6545 Mercantile Way, Ste. 15
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Representing MPSC Staff

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Special Litigation Division
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Representing Michigan Attorney General

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Lansing, MI 48933
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Sherri A. Wellman
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Katherine E. Brown
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Richard C. Gould
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Timothy P. Collins
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Gayle Teicher
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Bureau
1919 M Street, N.W., Rm. 544
Washington, DC 20554
Representing FCC

Linda L. Oliver
Hogan & Hartson LLP
555 Thirteenth Street, N.W.
Washington, DC 20004
Representing CompTel

01-13-97 06:45PM FROM MICH. BELL LAW DEPT. TO 913127017711
TELECOM. TECH. REGULATORY 517 334 3712 TO LAW

P011.053

P.11

LAW OFFICES

DYKEMA GOSSETT

PROFESSIONAL LIMITED LIABILITY COMPANY

800 MICHIGAN NATIONAL TOWER

LANSING, MICHIGAN 48933-1707

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DETROIT, MICHIGAN
GRAND RAPIDS, MICHIGAN
WASHINGTON, D.C.

ALBERT ERNST

DIRECT DIAL
(517) 374-9155

January 9, 1997

**MICHIGAN PUBLIC SERVICE
FILED**

JAN - 9 1997

COMMISSION

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

Re: Case No. U-11104
Response of MCI to Submission of Information of Ameritech

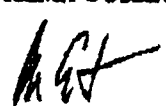
Dear Ms. Wideman:

Enclosed please find original and fifteen copies of Response of MCI Telecommunications Corporation to Submission of Information of Ameritech Michigan. Also enclosed is Proof of Service upon the Parties of Record.

If there are any questions or comments, do not hesitate to contact me.

Sincerely,

DYKEMA GOSSETT PLLC


Albert Ernst

AE/jmb
Enclosures
cc: Parties of Record
Joan Campion

LA 16404
IDA AE

01-13-97 06:45PM

FROM MICH. BELL LAW DEPT.

TO 913127013711
3712 TO LAW

P012/053

P.12

72

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,
to consider Ameritech Michigan's compliance
with the competitive checklist in 271 of Section
the Telecommunications Act of 1996.

Case No. U-11104


MICHIGAN PUBLIC SERVICE
FILED

JAN - 8 1997

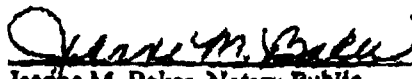
STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

COMMISSION

Ginger Soles, being first duly sworn, deposes and says that on the 9th day of January, 1997, she caused to be served upon the persons listed in the attached Service List, copies of Response of MCI Telecommunications Corporation to Submission of Information of Ameritech Michigan in the above-referenced matter, by placing said copies in envelopes addressed to each person listed on the Service List and, with postage fully prepaid thereon, deposited said envelopes in a United States mail receptacle.


Ginger Soles

Subscribed and sworn to before me this 9th day of January, 1997.


Jeanne M. Baker, Notary Public
Ingham County, Michigan
My commission expires: 6/19/01

SERVICE LIST

MR NORMAN C WITTE
WORLD COM INC.
115 W ALLEGAN AVE, 10TH FLOOR
LANSING MI 48933-1712

HON. FRANK STROTHER
MICHIGAN PUBLIC SERVICE COMMISSION
PO BOX 30221
LANSING MI 48909

MR TIMOTHY P. COLLINS
26500 NORTHWESTERN HWY
SUITE 203
SOUTHFIELD MI 48076

MR RICHARD F. KOWALSKI
SPRINT COMMUNICATIONS COMPANY
8140 WARD PARKWAY SE
KANSAS CITY MO 64114

MR DAVID VOGES
ASSISTANT ATTORNEY GENERAL
6545 MERCANTILE WAY, STE 15
LANSING MI 48911

ORJI AKOR N. ISIOGU
ASSISTANT ATTORNEY GENERAL
PO BOX 30212
LANSING MI 48909

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EAST LANSING MI 48823

MR RODERICK S. COY
MR STEWART A. BINKE
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LANSING MI 48933

CRAIG ANDERSON
AMERITECH MICHIGAN
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DETROIT MI 48226

MS JOAN CAMPION
MCI TELECOMMUNICATIONS
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COMMUNICATIONS DIVISION
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LANSING MI 48909

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2255 OAK INDUSTRIAL DRIVE NE
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313 S. WASHINGTON SQUARE
LANSING MI 48933

DAVID E. MARVIN
FRASER TREBILCOCK DAVIS & POSTER
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LANSING MI 48933

SHERRI A. WELLMAN
LOOMIS EWERT PARSLEY DAVIS & GOTTING
232 S CAPITOL AVENUE SUITE 1000
LANSING MI 48933

RICHARD D. GAMBER JR
MICHIGAN CONSUMER FEDERATION
115 W. ALLEGAN SUITE 300
LANSING MI 48933

ANDREW C. ISAR
TELEPHONE COMMUNICATIONS RESELLERS
ASSN
P.O. BOX 2461
GIG HARBOR WA 98335

KATHERINE E. BROWN
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WASHINGTON, D.C. 20001

GAYLE TEICHER
FEDERAL COMMUNICATIONS COMMISSION
1919 M STREET, ROOM 544
WASHINGTON, D.C. 20554

LINDA L. OLIVER
HOGAN & HARTSON
555 13TH ST. NW
WASHINGTON, D.C. 20004

LAI 16405
IDA AE

JAN 13 '97 16:39 FR AMERITECH REGULATORY 517 334 3712 TO LAW

P.14

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,
 to consider Ameritech Michigan's compliance with
 the competitive checklist in Section 271 of the
 Telecommunications Act of 1996

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)

AMERICAN PUBLIC SERVICE
 FILED

JAN - 9 1997

COMMISSION

RESPONSE OF
MCI TELECOMMUNICATIONS CORPORATION
TO SUBMISSION OF INFORMATION OF AMERITECH MICHIGAN

MCI Telecommunications Corporation ("MCI"), by its attorneys, submits this Response to the Submission of Information of Ameritech Michigan submitted to the Commission in this proceeding. The purpose of this Response is to address whether Ameritech Michigan meets the requirements of and fully implements the competitive checklist set forth in Section 271(c)(2)(B) of the Act. While MCI does not address in this Response each and every checklist item,¹ for those that are addressed it is clear that Ameritech Michigan has failed to sustain its burden. Accordingly, MCI urges the Commission to conclude that Ameritech Michigan has not sustained its burden of showing that it meets and fully implements the competitive checklist set forth in Section 271(c)(2)(B) of the Act.

¹ MCI will be filing a response to Ameritech Michigan's recent application to the Federal Communications Commission on checklist compliance, as well as all other requirements that must be satisfied before Ameritech Michigan may be authorized to provide in-region long distance services.

OVERVIEW

Pursuant to the Act, before making any determination that an Ameritech application to provide in-region interLATA services should be denied or approved, the Federal Communications Commission ("FCC") shall consult the Commission to verify whether the requirements of Section 271(c) have been met.² Section 271 of the Telecommunications Act of 1996, provides the mechanism by which the Bell Operating Companies (BOCs) such as Ameritech may apply for authorization to provide interLATA service originating in the states in their regions. Subsection 271(d)(3) of the Act sets forth the three-part substantive test that the Federal Communications Commission (FCC) must apply:

The Commission shall not approve the authorization requested in an application . . . unless it finds that --

(A) the BOC has met the requirements of (c)(1) and

(i) with respect to access and interconnection provided pursuant to subsection (c)(1)(A), has fully implemented the competitive checklist in subsection (c)(2)(B); or

(ii) with respect to access and interconnection generally offered pursuant to a statement under subsection (c)(1)(B), such statement offers all of the items included in the competitive checklist;

(B) the authorization will be carried out in accordance with the separate affiliate requirements of section 272; and

(C) the requested authorization is consistent with the public interest, convenience, and necessity.

² See Section 271(d)(2)(B).

³ Pub. L. No. 104-104, 110 Stat. 56 (to be codified at 47 U.S.C. §§ 151 et seq.).

Two fundamental facts underlie the telephony portions of the Act: local exchange markets are monopolies; the long distance market is competitive. The principal purposes of the Act, accordingly, are to bring competition to the local markets while preserving existing competition in the long distance market. See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, at ¶ 3, CC Docket No. 96-98, FCC 96-325 (rel. Aug. 8, 1996) (noting third goal of preserving universal service) (hereinafter "Order"), per. for review filed sub nom. Iowa Util. Board v. FCC, Nos. 96-3221 and consolidated cases). Section 271 furthers the underlying statutory goal of providing to all consumers the benefits of competition in the form of lower prices, improved quality, and innovative services.

Ameritech's entry into the long-distance market is inextricably tied to the development of local competition. Ameritech itself argues that the promise of in-region entry into the interLATA market serves as an incentive for them to enter into, and fully implement, access and interconnection agreements with new competitors in their local markets.⁴ Ameritech's view of section 271 as a form of incentive regulation that induces them to open their monopolies to competition is shared by members of Congress. As stated by Representative Bliley, the principal sponsor of the House bill, "the key to this bill is the creation of an incentive for the current monopolies to open their markets to competition." 141 Cong. Rec. H8282 (daily ed. Aug. 2, 1995) (statement of Rep. Bliley). The Commission has taken a realistic view of the counter-incentives, noting the inequality of bargaining power and the ability and incentive of incumbent local exchange carriers (LECs) "to discourage entry and robust competition" in local markets. Order

⁴ See, e.g., Ameritech Reply Comments in CC Docket No. 96-98, at 7.